



IGCPHARMA

IGC Pharma Reports First Quarter Results; Company Continues to Make Significant Progress Advancing Its Lead Alzheimer's Candidate Through Phase 2 Clinical Trials

POTOMAC, MD. August 14, 2023 / IGC Pharma, Inc. ("IGC" or the "Company") (NYSE American: IGC) today announced its financial results for the quarter ended June 30, 2023, which is the first quarter of the Company's 2024 fiscal year.

First Fiscal Quarter 2024 Highlights

- Net revenue increased 161% to approximately \$555 thousand in the three months ended June 30, 2023, compared to \$212 thousand in the prior year period, driven primarily by the sale of formulations based on the Holief brand natural products targeting women with premenstrual syndrome ("PMS"), period pain, and sleep disorders.
- Throughout the quarter, IGC Pharma maintained substantial momentum in the development of a Phase 3 manufacturing facility located on the West Coast, including augmentation of distillation capacity. The facility will enhance the Company's ability to manufacture IGC-AD1 for Alzheimer's, at scale, positioning IGC Pharma for the next phase of growth and advancement, although there can be no assurance. As the Company charts a strategic course towards eventual commercialization of its Alzheimer's investigational pharmaceutical drug, the facility plays a pivotal role in generating incremental revenue through the production of over-the-counter products like Holief.
- On June 30, 2023, IGC Pharma secured \$12 million line of credit from a Hong Kong-based bank to support working capital needs primarily related to Alzheimer's research.
- On June 30, 2023, IGC Pharma entered into a stock purchase agreement with several investors for \$3 million in gross proceeds further strengthening working capital and supporting the advancement of Phase 2 trials for IGC-AD1 in Alzheimer's. This amount is not reflected on the balance sheet as of June 30, 2023, as the proceeds were received after the close of the quarter.
- On June 6, 2023, IGC Pharma received notice of allowance from Commissioner of Patents, Canada, for the Company's patent filing on the use of cannabinoids in the treatment of seizures, IGC-501 (#2961410). The formulation also received an intent to grant from the European Patent Office.

Ram Mukunda, Chief Executive Officer of IGC Pharma, commented, "Our first fiscal quarter of 2024 was highlighted by substantial progress in our efforts to advance our lead drug asset, IGC-AD1, through Phase 2 clinical trials on Alzheimer's. We currently have ten trial sites in the United States and Canada. The potential success of IGC-AD1 in Alzheimer's holds the promise of positioning the Company at the forefront of medical advancement, equipped with a first-mover advantage in delivering a solution tailored to a pressing medical need. By addressing the unmet challenges related to agitation in Alzheimer's patients, IGC-AD1 has the potential to redefine treatment approaches while presenting a unique opportunity to introduce a novel drug without associated black box warnings."

Financial Highlights

During the three months ending on June 30, 2023, the Company achieved revenue of approximately \$555,000, reflecting an increase of 161% compared to the revenue of \$212,000 reported for the three months ended June 30, 2022. This increase in revenue was primarily driven by demand for the Company's life science segment, which includes, among others, formulations for natural products targeting women with PMS, period pain and sleep disorders, and wellness.

Selling, general, and administrative ("SG&A") expenses for the three months ended June 30, 2023, were approximately \$1.6 million, a 6% increase compared to SG&A expenses of approximately \$1.5 million for the same period in 2022. This increase of approximately \$97,000 is predominantly attributed to increased operational expenses.

Research and Development (“R&D”) expenses for the three months ended June 30, 2023, totaled \$747,000, a decrease of 46% from \$1.4 million in the corresponding period in 2022. The decrease is primarily attributable to a one-time non-cash expense during the three months ended June 30, 2022. Excluding the impact of these exceptional non-cash expenses, the expenses for the two quarters remained relatively consistent. However, the Company expects R&D expenses to increase from the current levels as enrollment in the Phase 2 trial expands.

Net loss for the three months ended June 30, 2023, was approximately \$2.1 million or (\$0.04) per share, compared to approximately \$2.8 million or (\$0.05) per share for the three months ended June 30, 2022.

About IGC:

IGC Pharma, Inc. (dba IGC) develops advanced cannabinoid-based formulations for treating diseases and conditions, including, but not limited to, Alzheimer’s disease, period cramps (“dysmenorrhea”), premenstrual syndrome (“PMS”), and chronic pain. IGC has two investigational drug assets targeting Alzheimer’s disease, IGC-AD1 and TGR-63, which have demonstrated in Alzheimer’s cell lines the potential to be effective in suppressing or ameliorating key hallmarks of Alzheimer’s disease, such as plaques or tangles. IGC-AD1 is a low-dose tetrahydrocannabinol (“THC”) based formulation that is currently in a 146-person Phase 2 clinical trial for agitation in dementia due to Alzheimer’s (<https://clinicaltrials.gov/ct2/show/NCT05543681>). IGC also markets a wellness brand, Holief™, that targets women experiencing premenstrual syndrome and menstrual cramps.

Forward-looking Statements: This press release contains forward-looking statements. These forward-looking statements are based largely on IGC’s expectations and are subject to several risks and uncertainties, certain of which are beyond IGC’s control. Actual results could differ materially from these forward-looking statements as a result of, among other factors, the Company’s failure or inability to commercialize one or more of the Company’s products or technologies, including the products or formulations described in this release, or failure to obtain regulatory approval for the products or formulations, where required; general economic conditions that are less favorable than expected, including as a result of the ongoing COVID-19 pandemic; the FDA’s general position regarding cannabis- and hemp-based products; and other factors, many of which are discussed in IGC’s U.S. Securities and Exchange Commission (“SEC”) filings. IGC incorporates by reference the human trial disclosures and Risk Factors identified in its Annual Report on Form 10-K filed with the SEC on July 7, 2023, as if fully incorporated and restated herein. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this release will occur.

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< Financial Tables to Follow >

IGC Pharma, Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	June 30, 2023	March 31, 2023
	<u>(\$)</u>	<u>(\$)</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	1,723	3,196
Accounts receivable, net	225	107
Short term investments	227	154
Inventory	2,641	2,651
Deposits and advances	<u>262</u>	<u>358</u>
Total current assets	<u>5,078</u>	<u>6,466</u>
Non-current assets:		
Intangible assets, net	1,179	1,170
Property, plant and equipment, net	8,104	8,213
Claims and advances	1,017	1,003
Operating lease asset	<u>295</u>	<u>326</u>
Total non-current assets	<u>10,595</u>	<u>10,712</u>
Total assets	<u>15,673</u>	<u>17,178</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	672	530
Accrued liabilities and others	<u>1,459</u>	<u>1,368</u>
Total current liabilities	<u>2,131</u>	<u>1,898</u>
Long-term loans	140	141
Other liabilities	21	21
Operating lease liability	<u>179</u>	<u>207</u>
Total non-current liabilities	<u>340</u>	<u>369</u>
Total liabilities	<u>2,471</u>	<u>2,267</u>
Commitments and Contingencies – See Note 12		
Stockholders' equity:		
Preferred stock, \$0.0001 par value: authorized 1,000,000 shares, no shares issued or outstanding as of June 30, 2023, and March 31, 2023.		
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 53,077,436 shares issued and outstanding as of June 30, 2023, and March 31, 2023, respectively.	119,322	118,965
Accumulated other comprehensive loss	(3,380)	(3,389)
Accumulated deficit	<u>(102,740)</u>	<u>(100,665)</u>
Total stockholders' equity	<u>13,202</u>	<u>14,911</u>
Total liabilities and stockholders' equity	<u>15,673</u>	<u>17,178</u>

These financial statements should be read in connection with the accompanying notes on Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 10, 2023.

IGC Pharma, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except loss per share and share data)
(Unaudited)

	Three months ended June 30,	
	2023	2022
	(\$)	(\$)
Revenue	555	212
Cost of revenue	(300)	(70)
Gross profit	255	142
Selling, general and administrative expenses	(1,647)	(1,550)
Research and development expenses	(747)	(1,394)
Operating loss	(2,139)	(2,802)
Other income, net	64	17
Loss before income taxes	(2,075)	(2,785)
Income tax expense/benefit	-	-
Net loss attributable to common stockholders	(2,075)	(2,785)
Foreign currency translation adjustments	9	(219)
Comprehensive loss	(2,066)	(3,004)
 Loss per share attributable to common stockholders:		
Basic & diluted	\$ (0.04)	\$ (0.05)
Weighted-average number of shares used in computing loss per share amounts:	53,077,436	51,616,598

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